

**§ 19.958**

**ANNUAL PRODUCTION AND RECEIPTS IN PROOF  
GALLONS—Continued**

More than	But not over	Amount of bond
190,000 .....	200,000	20,000
490,000 .....	500,000	50,000

(b) *Large plants.* To find the required amount of your bond, estimate the total proof gallons of spirits to be produced and received in a calendar year. The amount of the bond is \$50,000 plus \$2,000 for each 10,000 proof gallons (or fraction) over 500,000. The following table provides some examples:

**ANNUAL PRODUCTION AND RECEIPTS IN PROOF  
GALLONS**

More than	But not over	Amount of bond
500,000 .....	510,000	\$52,000
510,000 .....	520,000	54,000
740,000 .....	750,000	100,000
990,000 .....	1,000,000	150,000
1,240,000 .....	.....	200,000

(Sec. 805(c), Pub. L. 96-39, 93 Stat. 276 (26 U.S.C. 5173); sec. 232, Pub. L. 96-223, 94 Stat. 278 (26 U.S.C. 5181))

**§ 19.958 Conditions of bond.**

The bond shall be conditioned on payment of all taxes (including any penalties and interest) imposed by 26 U.S.C. Chapter 51, on compliance with all requirements of law and regulations, and on payment of all penalties incurred or fines imposed for violations of any such provisions.

(Sec. 805(c), Pub. L. 96-39, 93 Stat. 276 (26 U.S.C. 5173); sec. 232, Pub. L. 96-223, 94 Stat. 278 (26 U.S.C. 5181))

**§ 19.959 Additional provisions with respect to bonds.**

Subpart H of this part contains further provisions applicable to bonds which, where not inconsistent with this subpart, are applicable to bonds of alcohol fuel plants.

**CONSTRUCTION, EQUIPMENT AND  
SECURITY**

**§ 19.965 Construction and equipment.**

Buildings and enclosures where distilled spirits will be produced, processed, or stored shall be constructed and arranged to enable the proprietor

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to maintain security adequate to deter diversion of the spirits. Distilling equipment shall be constructed to prevent unauthorized removal of spirits, from the point where distilled spirits come into existence until production is complete and the quantity of spirits has been determined. Tanks and other vessels for containing spirits shall be equipped for locking and be constructed to allow for determining the quantities of spirits therein.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1353, as amended (26 U.S.C. 5178))

**§ 19.966 Security.**

Proprietors shall provide security adequate to deter the unauthorized removal of spirits. The proprietor shall store spirits either in a building, a storage tank, or within an enclosure, which the proprietor will keep locked when operations are not being conducted.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1353, as amended (26 U.S.C. 5178); sec. 806, Pub. L. 96-39, 93 Stat. 279 (26 U.S.C. 5202))

**§ 19.967 Additional security.**

If the appropriate TTB officer finds that security is inadequate to deter diversion of the spirits, as may be evidenced by the occurrence of break-ins or by diversion of spirits to unauthorized purposes, additional security measures may be required. Such additional measures may include, but are not limited to, the following:

- (a) The erection of a fence around the plant or the alcohol storage facility;
- (b) Flood lights;
- (c) Alarm systems;
- (d) Watchman services; or,
- (e) Locked or barred windows.

The exact additional security requirements would depend on the extent of the security problems, the volume of alcohol produced, the risk to tax revenue, and safety requirements.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1353, as amended (26 U.S.C. 5178); sec. 806, Pub. L. 96-39, 93 Stat. 279 (26 U.S.C. 5202))